



Rhode Island Executive Office of Health and Human Services  
 3 West Road | Virks Building | Cranston, RI 02920

**Date:** June 11, 2021

**To:** Kevin Carlson, Senior Vice President of Government Programs, UHIC  
 Sheila O'Connor-Santos, Account Manager, UHIC  
 Josh Owen, Account Manager, UHIC  
 Kolleen Rathburn, Compliance Consultant, UHIC

**From:** Mark Kraics, Medicaid Managed Care Director, Rhode Island EOHHS

**Cc:** Kristin Sousa, Deputy Director of Managed Care, Rhode Island EOHHS  
 Jane Morgan, Esq., Medicaid Executive Legal Counsel, Rhode Island EOHHS  
 Ave Houston, Chief Compliance Officer, Rhode Island EOHHS  
 Ted DeNicola, Contract Liaison, Rhode Island EOHHS

**Re: Notice of Collection of Liquidated Damages for Failure to Meet Call Center Service Levels**

Dear Mr. Carlson, Ms. O'Connor-Santos, Mr. Owen, & Ms. Rathburn:

This Memorandum hereby notifies UnitedHealthcare Insurance Company ("UHIC") that the Rhode Island Executive Office of Health & Human Services ("EOHHS") will be seeking and collecting liquidated damages for your failure to meet agreed-upon call center operations service levels, as outlined in Section 3.7, Performance Standards and Damages A. Service Level Agreements, of the executed **Agreement Between the State of Rhode Island EOHHS and UnitedHealthcare Insurance Company (UHIC) for the Medicaid Rite Smiles Program ("The Agreement")**. As outlined in The Agreement, executed July 1, 2020, UHIC agreed to the following standards and corresponding liquidated damages associated with contract non-compliance:

**A. Service Level Agreements**

*The Contractor shall meet the performance level standards in this section.*

*If the Contractor fails to meet the performance standards, EOHHS may assess liquidated damages as provided in the below table, for the time period in which the deficiency occurs and until such time as EOHHS, in its sole discretion, determines that the deficiency has been fully addressed, assessed and cured requires that Managed Care Organizations (MCOs) and Rhode Island Medicaid providers adhere to the specifications outlined in the following table:*

<b>Service Lines</b>					
6.	Call Response Time/Call Answer Timeliness - Member Services line	The Contractor shall answer at least eighty-five percent (85%) of calls within thirty (30) seconds.	The number of incoming calls answered within thirty (30) seconds divided by the total number of calls received by the service line during the measurement period.	Monthly	\$10,000 per month

The Agreement, **Addendum X: Liquidated Damages**, page 147, further provides and outlines that:

*WRITTEN NOTIFICATION OF FAILURE TO MEET A PERFORMANCE REQUIREMENT SHALL BE GIVEN BY THE EXECUTIVE OFFICE'S PROJECT OFFICER TO THE CONTRACTOR'S PROJECT OFFICER. THE CONTRACTOR SHALL HAVE A REASONABLE PERIOD DESIGNATED BY THE EXECUTIVE OFFICE FROM THE DATE OF RECEIPT OF WRITTEN NOTIFICATION. IF THE FAILURE IS NOT MATERIALLY RESOLVED WITHIN THIS PERIOD, LIQUIDATED DAMAGES MAY BE IMPOSED RETROACTIVELY TO THE DATE OF EXPECTED DELIVERY.*

*IN THE EVENT THAT LIQUIDATED DAMAGES HAVE BEEN IMPOSED AND RETAINED BY THE EXECUTIVE OFFICE, ANY SUCH DAMAGES SHALL BE REFUNDED, PROVIDED THAT THE ENTIRE SYSTEM TAKEOVER HAS BEEN ACCOMPLISHED AND APPROVED BY THE EXECUTIVE OFFICE ACCORDING TO THE ORIGINAL SCHEDULE DETAILED IN THE CONTRACTOR'S PROPOSAL RESPONSE INCLUDED IN THIS CONTRACT (ADDENDUM XVI) AS MODIFIED BY MUTUALLY AGREED UPON CHANGE ORDERS.*

In accordance with the aforementioned sections of The Agreement, RI EOHHS in a warning letter (**Warning Letter—Rite Smiles Program Call Wait Times and Call Center Performance Contract Non-compliance**) issued to UHIC on April 12, 2021, EOHHS expressed dissatisfaction with UHIC's substandard call center operations, untimely reporting of a system outage, and the submitted report indicating that unmet SLAs had been "Met". As a result of UHIC's self-reported, substandard service levels of 56% and 79% for the months of December 2020 and February 2021, respectively, the letter directed UHIC to submit weekly call center metrics to EOHHS to assure and ensure ongoing compliance with call center service level agreements. Following EOHHS' issuance of the Warning Letter, UHIC submitted substandard service levels of 49% for the month of March 2021, enclosed in the April 2021 Call Center SLA Report.

The following table outlines the months that UHIC self-reported substandard call center service levels, and the monetary penalty that EOHHS shall collect for each of the above referenced months, for a total of **\$30,000**. This amount shall be withheld during the next scheduled financial payment cycle:

<b>Time Period</b>	<b>Self-Reported Metric</b>	<b>Liquidated Damage</b>
December 2020	56% - Not Met	\$10,000
February 2021	79% - Not Met	\$10,000
March 2021	49% - Not Met	\$10,000

Please reach out if you have questions about this matter.

Yours in Health,

Mark D Kraics, Rhode Island Executive Office of Health and Humans Services, Medicaid Managed Care Director